

# INTERREG SIV

## D.T4.5.2

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## Content

1. Introduction.....	2
2. ESF PLUS - means of support for SIV projects.....	10
3. ERDF - means of support for SIV projects .....	13
4. Further funding Ideas.....	15
5. Conclusion.....	15



## 1. Introduction

### 1.1. Specific situation of the target group - our solidarity

We all live in a society where there are multiple dimensions of disadvantage, poverty and exclusion. In Germany, for example, we have 15% of people at risk of poverty, of children and young people it is even 20%, over 20% of employees work in poorly paid and/or precarious jobs, over 8% of people are dependent on basic security, the current unemployment rate is 5.4%.

The fact that poverty and precarious living conditions have a variety of effects on social participation opportunities, on health and even on life expectancy has been scientifically proven in many ways. A recent report by the German Institute for Economic Research (DIW), for example, points out that the "risk of needing long-term care ... does not only depend on age, but ... is decisively influenced by society, income and the world of work".<sup>1</sup>

#### 1.1.1 Figures

##### Unemployment figures for Baden-Württemberg<sup>2</sup>

	Sep 21			Sep 20			Sep 19	
	Unemployed	Proportion of longtime Unempl.		Unemployed	Proportion of longtime Unempl.		Unemployed	Proportion of longtime Unempl.
total	233.832	35,3%		289.290	23,3%		202.775	24,7%
SGB II	123.491	53,8%	= 80,5% of all ItU	123.572	41,6%		102.672	40,1%
SGB III	110.341	14,6%		165.718	9,6%		100.103	8,9%

The three blocks of figures show how far unemployment had fallen before the pandemic (Sep. 19), how high it rose during the pandemic (Sep. 20) and how far it has currently stabilised or recovered (Sep. 21).

Within the blocks of figures, the unemployment figures are differentiated according to SGB II (basic benefits) and SGB III (social insurance), which shows how these areas have shifted in relation to each other. The sharp rise in unemployment during the pandemic mainly affected SGB III (approx. + 66t) and less so SGB II (approx. + 20t). Before the pandemic, the proportion of SGB II unemployed and long-term unemployed had decreased particularly markedly. Now it can be seen that the "stabilisation of the labour market" after the pandemic-related lock-downs has had almost no effect at all on SGB II; here unemployment has remained as high as during the pandemic, and long-term unemployment, especially in

<sup>1</sup> Deutsches Institut für Wirtschaftsforschung:  
[https://www.diw.de/de/diw\\_01.c.827699.de/publikationen/wochenberichte/2021\\_44\\_1/pflegebeduerftigkeit\\_haengt\\_von\\_der\\_sozialen\\_stellung\\_ab.html](https://www.diw.de/de/diw_01.c.827699.de/publikationen/wochenberichte/2021_44_1/pflegebeduerftigkeit_haengt_von_der_sozialen_stellung_ab.html)

<sup>2</sup> Arbeitsmarktreport der Bundesagentur für Arbeit, Region: Baden-Württemberg für die Monate September 21, September 20, September 19



SGB II, has become entrenched again. The latter is underlined by the fact that more than 80% of the long-term unemployed are within the legal scope of SGB II. Long-term unemployed (=unemployed for longer than 1 year) in the legal sphere of SGB III can only be older people over 50, as only they can be entitled to unemployment benefit I for more than one year.

### **1.1.2 Conclusion / Appeal**

Long-term unemployment is the central criterion for determining the target group because, on the one hand, long-term unemployed people remain unemployed primarily if they also have other placement-inhibiting characteristics and, on the other hand, the duration of unemployment causes other placement-inhibiting characteristics. - The characteristics that hinder placement are cumulative: Long-term unemployment, age, health limitations, single parenthood, unskilled or de-skilled, etc.

Without comprehensive and intensive support, many of these people no longer have a chance to find a job again and participate in social life. However, the official statistics of the Federal Employment Agency only show an activation rate (proportion of people supported with active measures) of just under 10% for those entitled to benefits under Book II of the Social Code. The people who are particularly disadvantaged in the labour market receive only a small proportion of the support measures, and only a small proportion of the measures are also employment-creating measures. - These people therefore need our special solidarity.

## **1.2 Policy statement for new methods**

Although social insurance, especially unemployment insurance, is in principle financed equally by employee and employer contributions, the employer contributions are fully included in the gross personnel costs of the employers and passed on to the customers through the prices. In this sense, the employers themselves do not finance a share of the social security contributions. Rather, the costs of social security contributions are fully earned by the employees subject to social security contributions or paid by the final consumers as part of the labour costs calculated in the prices.

The privately financed SIVs can correct this disproportion and express the social responsibility of employers if they are raised (in business terms) after prices have been charged and before profits have been taken. Even with this construction, SIVs would still have a tax-reducing effect for companies, provided they are recognised as charitable by the tax administration. Nevertheless, this approach can influence not only the financing but also the social discourse on labour market instruments.

### **1.2.1 Brief needs analysis for Social Impact Vouchers (SIV)**

For some years now, the labour market policy discussion in Germany has been characterised by the fact that although there is a positive development on the labour market, the long-term unemployed in particular with additional restrictions (placement-inhibiting characteristics) have hardly any chances of returning to the labour market. The professional public has long been calling for a publicly supported labour market that also offers those a chance to participate in working life who cannot return to the general labour market through placement and/or qualification.



Basically, after more than ten years of political lobbying, such an instrument was introduced in 2018 with § 16i SGB II, but its framework conditions and volume are far too narrow in the opinion of the social associations. For example, more than six years of unemployment are required to gain access to such an employment measure at all, and even under this condition there would be a need for about 25,000 such measures in Baden-Württemberg, but only a stock of about 2,500.

Although there is a comprehensive and differentiated foundation system in Germany, additional support for the long-term unemployed and labour market projects from foundation funds is not widespread. This can be a starting point to give the existing employment voucher/SIV a longer-term perspective by specifically asking foundations and foundation associations to support this model. Diakonie Württemberg and Neue Arbeit Stuttgart see the SIV Interreg project as an opportunity to further develop the existing programme and to win new partners in order to be able to organise work and participation for the long-term unemployed in the future.

This advertising for participation does not only mean advertising for individual chances and opportunities for people, but it also means advertising for general social cohesion. - It is the general goal of our social work to restore opportunities for participation in the various situations of life (work, housing, education, health...) for those who have lost their connection. To achieve this, the frequent prejudice that people are themselves to blame for their plight must be overcome again and again and social solidarity must be promoted.

### **1.2.2 Excursus: "Social Impact Credit"**

In the previous debate on 'social impact credits', these are supposed to be used "for those social problem situations ... where previous measures have had only limited success. This includes the endangerment of children within the family as well as youth unemployment or the inability to work due to mental illness".<sup>3</sup> For this purpose, new networks and committees of service providers, service providers and private donors are to be created in order to identify such problem situations, to decide on new approaches to solutions, their implementation and evaluation.

The special feature of 'social impact loans' is not only that private money is used for social investments, but also that the private donors receive a refund and a bonus for their investment from the public coffers in case of success.<sup>4</sup> It is undeniable that the profit interest of the private donors determines the selection of projects and measures as well as their implementation. The risk of failure, which is inherent in every social support measure, must of course be minimised from an investor's point of view if this threatens his investment and possible profit. On the other hand, from a social work perspective, failure or discontinuation of a measure can also be a success if the clients/assistance recipients articulate and represent their own interests and goals. Against this background, the private financing of employment vouchers / social impact vouchers cannot be linked to a direct

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<sup>3</sup> Investition, Intervention, Impact. Der Soziale Wirkungskredit in Deutschland, Stiftung soziale Verantwortung, Policy Brief 2015

<sup>4</sup> S. M. Hemmerich, C. Méténier: Soziale Profite - Ein neues Wohlfahrtsmodell macht Schule, taz - le monde diplomatique, 11.10.2019



profit interest of the donors. The support must be primarily geared to the needs and interests of the disadvantaged people. And the investment of private donors in these support measures must first and foremost be motivated by social responsibility, accept that the profit of the investment is first and foremost a social profit. The fact that this also serves the interests of employers in terms of opportunities in staff recruitment and development is a secondary effect in comparison.

However, if under this condition it is possible to further expand and develop private funding of social work in general and of employment of the long-term unemployed in particular, then it is not enough to develop new networks between social work and private funders, but it also requires special efforts to inform and win over the people who can participate in these measures. In the current situation, they are often difficult to reach after long experiences of exclusion, and not only funding but also ways to reach people need to be redeveloped.

### **1.3 First stakeholder analysis - which partners, which network already exist?**

The status quo of social security is very different in the individual European states and societies. In Germany there is a theoretically very comprehensive system of social security consisting of basic state security and social insurance, which is theoretically financed equally by all taxpayers (state) and by employees and employers (social insurance). This equal distribution of social security costs is the cause of a delegation and passing on of labour market support services to the employment agencies and job centres, especially in labour market policy, and supplementary private financing of support services is not common, especially in this area. In reality, however, the burden on high-income earners and companies is relatively low. It is therefore a long-term, probably even permanent task to solicit additional private investment and thus a broad coalition for the social participation of all people, for the preservation or restoration of social cohesion.

#### **1.3.1 Network with employers who are willing to tackle this problem together with you through the use of voucher models**

The social organisations and also Diakonie have traditionally developed very stable contacts in politics and administration, especially in the social sector at the municipal, state and federal level, apply for measures and projects, negotiate with the respective cost units and campaign for the quantitative and qualitative development of social policy instruments, especially also for the expansion and design of publicly funded employment.

However, it is precisely these instruments that have been repeatedly affected in the past by restrictions in the framework conditions and by cost-cutting measures. The vulnerability of these "voluntary" services of the public coffers became particularly clear through the reduction of integration funds after the financial crisis of 2008-2009 by up to 30%, whereby precisely the employment-creating measures were almost halved.

Although there are always contacts with the private sector, private donors and employers, these contacts are mostly limited to general political issues and discussions. When it comes to concrete issues and projects, be it in corporate social work or in social work with disadvantaged people, the actors of the general economy and the social economy usually remain strangers to each other. The approach of attracting private capital and private employers to finance employment vouchers /SIVs is therefore indeed a new approach.



In the Protestant Church of Württemberg and its Diakonie, there have been small funds for decades in which private individuals donate money to promote the employment of the unemployed, and since 2013 there have also been the employment vouchers financed from state church funds. However, it was not until the Interreg-SIV project that the idea arose to also solicit further funds from private donors and employers on this basis. Parallel to this approach, there has been an LEA SME award in Baden-Württemberg for several years, which is awarded by the state government (MWAT), Diakonie and Caritas for projects by small and medium-sized enterprises that are particularly responsible in social terms. It was therefore obvious to contact the sponsors of the LEA SME Award and ask whether the announcement of this award could be linked to the advertisement for socially responsible enterprises to finance employment vouchers / SIVs. The first enquiry went to the Diakonie and Caritas associations cooperating with the LEA SME Award, which, however, did not consider a direct link to make sense.

However, a working group developed from this contact, which has been compiling the specific funding approaches for the unemployed and unemployment projects of the Caritas associations and the Diakonische Werke in Baden and Württemberg since spring 2020. A further meeting will now consider whether these funding programmes are suitable for a joint event, presentation and solicitation of additional private donors.

### **1.3.2 Perspective**

This approach, which is new to the field of labour market policy measures, can be developed and expanded only in the long term. Mutual reservations between the social economy and the private sector have a long history; overcoming them and transforming them into a cooperative basic attitude first requires the development of individual lighthouse projects (e.g. Interreg-SIV), which can then become the basis for continuous and sustainable development.

### **1.4 Second stakeholder analysis - how can private financing for social tasks (SIV) be strengthened?**

While taxes and levies for the financing of social tasks are largely collected and also distributed compulsorily and non-transparently, private financing requires extensive persuasion, communication and transparency. To achieve this, social work providers and actors must approach potential private donors. At both the local and national level, these contacts must be sought, established and maintained on a permanent basis. - Those who can be convinced to use their private assets for social tasks also want to know how and for what the money is used, otherwise they will stop their commitment again.

This requirement was also crucial in the context of Diakonie Württemberg's "employment vouchers". Already at the end of the first programme phase, a brochure "Church on the Side of the Poor" was produced, which gave an account of the regional church funds used and described with individual examples what significance the supported employment opportunities had for the individual people. These descriptions were a major motive for the regional synod, as the highest organ of the regional church, to extend and further develop the support programme. Also at the end of this second project period, a final report was presented to the synod with a "thank you" campaign by Diakonie and Neuer Arbeit, and





together with an up-to-date documentation on the current Heilbronn model project, efforts are again being made to motivate the regional church to continue promoting employment vouchers / SIVs.

#### **1.4.1 Network to stakeholders or ideas who could be contacted besides funding voucher models/funds**

The promotion of future employment vouchers / social impact vouchers starts with the existing stakeholder network. For example, Diakonie has also built up a network of politicians, (state) administration, social partners for the area of labour market policy in the course of the last few years, which has been invited again and again to discuss strategic topics and tasks. The model of employment vouchers / social impact vouchers was also presented in the last of these discussion rounds, known as the "strategy forum", in January 2020. Further forums could not be held since then due to the Covid pandemic, and the goal of specifically addressing individual stakeholders about this project and possible support could not be pursued any further. As soon as the pandemic subsides in the long term, however, this approach will be pursued again in a targeted manner.

#### **1.4.2 Perspective**

This means that entirely new networks between social service providers and private funders do not necessarily have to be established, but they must be realigned. While contacts have so far concentrated on coordination and cooperation in publicly financed (labour market) services, in future it must also be a matter of developing independently initiated and privately financed (employment) measures and placing them in such a way that new and, if possible, sustainable opportunities for participation arise for people who are disadvantaged (in the labour market).

### **1.5 Methods**

#### **1.5.1 Status quo**

Expectations for the development of new approaches, their innovative and sustainable performance in social work are often projections derived from existing legal and fiscal constraints: If youth welfare measures were not discontinued when the child reaches the age of majority, but continued until integration success, some innovations could be saved. If the employment assistance measures were actually oriented towards the goal of labour market integration instead of limiting them to a few months, there would be less need to worry about their sustainability.

The basic problem can be illustrated by the budget structure of the employment agencies and job centres in Germany: Their budget is subdivided into three title areas,

- the standard benefits title (Alg I, Alg II, social benefits etc. for the subsistence of the unemployed and their families),
- the administrative costs title (personnel and all material costs of agencies and job centres) and
- the integration title (costs for active measures for qualification and employment).





The standard benefit title is a statutory compulsory benefit for those entitled to it and can only be influenced by political decisions on the level of benefits. The administrative and integration titles are combined in the global title and are "mutually coverable". Within the global title, funds can be partially shifted between administrative costs and inclusion costs. Against this budgetary background, planned inclusion funds have increasingly been reclassified as current administrative funds in recent years. As a result, the number and proportion of unemployed people who benefit from active support and integration services is falling. - In view of this basic structure, looking for innovative and sustainable new solutions seems like a red herring.

In Germany, for example, only 10% of the recipients of basic social security benefits are supported in active measures and publicly funded employment has only a small share in this. Yet the long-term unemployed need one thing above all: work.

The funding and promotion of social work is also increasingly shifted to financing limited projects instead of long-term assistance. Yet in most areas of social work it is largely known what help is needed, it would only have to be financed on a permanent basis.

Certainly, innovative approaches and projects are also important. But they can only be the tip on the basis of a broad base of instruments and measures that have been comprehensively developed over long years.

### **1.5.2 New methods: empowering the target group/ enabling participation in the labour market**

After the expiry of the second funding phase for employment vouchers, it was again possible to raise funds to a limited extent. These funds are currently being used in a targeted way in another pilot project in Heilbronn to implement the lessons learned from previous experience.

For this purpose, the Kreisdiakonieverband, a provider of general counselling and support measures, and a provider and social enterprise specialised in labour market measures, the Aufbaugilde gGmbH, were recruited for a project partnership in Heilbronn. Based on the fact that the characteristic of long-term unemployment can conceal a variety of problems, we agreed with these two partners that, due to the local conditions, we would focus especially on women at the end of the family phase (raising children) who need a fundamental reorientation due to this life situation. The participants are recruited in equal numbers from the measures of the Kreisdiakonieverband and the Aufbaugilde, whereby the essential criterion is that the participants want to orient themselves towards employment in the general labour market. The first surprise was that the measures of the Kreisdiakonieverband were more geared towards general life counselling and that possible labour market integration was not one of the goals of the measures. It was not until the cooperation with the Aufbaugilde that this goal became central and the first realisation in the project concept was that it is important to involve different providers because not all counselling services have participation in and integration into work as a realistic goal and thus the SIV approach is spread as widely as possible.

Related to this is the central realisation that, starting from recruiting, the actual need for help and the support or guidance goal must be determined in detail together with the participants (real equality!) and that need and goal must also be reflected on again and



again during the support phase. The starting point and basis must be the abilities and interests of the people themselves. Thus, it is quite possible that the goal of supported employment is not even recognised at first in the context of general life counselling, but also that the goal of taking up employment turns out to be unrealistic during the support. Therefore, the need must be reflected again and again and the goals must be adjusted if necessary.

However, the condition of voluntariness is also very important. It must be the free decision of the participants whether and with what goals they participate in support and employment measures. And they must be able to make these decisions without the pressure of sanctions from cost and measure providers, and they must also be able to change their mind during the course of the measure. - This is probably the most significant qualitative difference to the current support measures of employment agencies and job centres.

### **1.5.3 Perspective**

The first phase of the employment vouchers already led to the realisation that social participation is essentially made possible through participation in work, but that it is not exhausted by this. For this reason, they were supplemented in the second funding phase by so-called participation vouchers, so that it became possible to finance other forms of participation such as visits to the cinema, theatre or amusement parks, etc. in addition to the direct (co-)financing of employment. Furthermore, it has become clear that the employment vouchers have so far been awarded exclusively to social employment enterprises and institutions of Diakonie and the church, where the accompanying support of disadvantaged people is a central feature. Within the framework of the current model project, employment opportunities on the general labour market and with private employers are also being sought and it has become apparent that the concrete form of support for this must be individualised and adapted to the individual case. It may therefore be that the employment voucher / SIV is used either as a wage subsidy or to finance accompanying support, depending on where the greatest need is and what creates the greatest effect.

In general, it can be said: In other areas of assistance, there are certainly long traditions of supplementing the assistance system of social insurance and basic state benefits with assistance from private funds. For example, the areas of child and youth welfare as well as disability welfare have been supported by large social lotteries for decades. Why should the approach of raising additional private funds for social work and projects (as private responsibility for social tasks and not as a new profit model for private capital investments) not also be used to finance employment-creating measures? This is not necessarily innovative, but the benefits of this investment would accrue to the public purse as well as to the unemployed/employees and, last but not least, to employers. The demographic change alone, for which a significant decrease in the labour force potential is predicted in the coming years, forces new ways to enable as many people as possible to participate in work on the one hand and to open up as many possibilities as possible for companies to recruit staff on the other. Both the expansion of known instruments and the testing of innovative approaches are possible. The decisive criterion is what the long-term unemployed participants themselves formulate as their need for help and their goals.



## 2. ESF PLUS - means of support for SIV projects

### 2.1 ESF PLUS

The European Social Fund (ESF) is the main European instrument for promoting employment and social inclusion in Europe. It now has a new name: ESF PLUS

Although the ESF invests on the ground in actions that help people meet economic and social challenges, the nature of projects at local, regional and national level, as well as their objectives, scope and target groups, vary widely.

The main objective of ESF PLUS is to contribute to a social Europe and to put the European Pillar of Social Rights into practice.

In the new funding period 2021-2027, ESF PLUS will focus even more on the idea of a more social Europe, bringing together the previous European Aid Fund for the Most Deprived (FEAD), the Youth Employment Initiative (YEI) and the EU Programme for Employment and Social Innovation (EaSI).

#### 2.1.1 Focus on specific issues at Member State level

In principle, decisions on the European Structural Funds are made in the context of extensive consultation processes at the EU in Brussels. On this basis, the individual partner states submit partnership agreements and programmes, and the EU transfers ESF funds, among other things, to the nation states for this purpose.<sup>5</sup>

Within the Federal Republic of Germany, half of these funds are used at the federal level for programmes and projects of the federal government, the other half is transferred to the federal states, which use these funds within the framework of their own state-specific programmes. In Baden-Württemberg, these funds are also used at the state level for central state projects and programmes, the other half is made available to the regional working groups of the municipalities, which can use it to serve regionally specific priorities.

#### 2.1.2 Tasks of ESF PLUS in Germany / Baden-Württemberg

"The European Social Fund Plus (ESF Plus) remains the European Union's (EU) main funding and support instrument for investing in people in the new funding period 2021-2027. It aims to improve employment and education opportunities in the EU. The ESF has been providing funding to member states since 1957.

Established in 1957, the ESF was originally intended to support training-related programmes, but today it offers a wide range of measures:

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<sup>5</sup> look: <https://www.esf.de/portal/DE/ESF-2021-2027/foerderperiode-2021-2027.html>



Several reforms have taken place to align the Fund with the needs of the labour market and Community structural policies, and to integrate it into the system of Community structural instruments:

- Move from individual projects applied directly to the Commission to programmed multi-annual actions on a partnership basis;
- early ESF implementation only through public institutions, later also private promoters;
- Adaptation of the ESF to promote employment in the poorer regions of the EC;
- introduction (and then abolition) of Community Initiatives;
- common employment strategy;
- Shifting the focus from unemployment to employment.

In the last funding periods, it can be observed that the ESF is becoming more directly involved in the EU's Common Employment Strategy.

As in the last funding period (2014 to 2020), there are separate Operational Programmes (OP) in the federal states. There is no single federal programme. In Baden-Württemberg, the OP focuses, among other things, on the ESF Plus. An important goal of the ESF Plus is to contribute to a more social Europe and to put the European Pillar of Social Rights, the EU Charter of Fundamental Rights and the UN Convention on the Rights of Persons with Disabilities into practice. In Baden-Württemberg, the ESF Plus focuses in particular on the promotion of

- sustainable employment,
- lifelong learning and securing skilled workers, as well as
- social inclusion, social participation and combating poverty.<sup>6</sup>

### **2.1.3 List of country-specific recommendations (CSR) for ESF PLUS**

Example: "In terms of content, ESF Plus shall in particular promote improved access to employment, education and training, active inclusion, socio-economic integration of third-country nationals, equal access to quality social protection systems, and social inclusion of disadvantaged and particularly disadvantaged persons. ESF Plus funding must also be thematically targeted at Member State level. In particular, the funds will be used to address the challenges in the 'Country Specific Recommendations (LSE)', for 'Social Inclusion' and the most disadvantaged (= Ex-EHAP), to tackle child poverty, to support young people and to build the capacity of social partners and civil society organisations."

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<sup>6</sup> <https://www.esf-bw.de/esf/esfplus/allgemein/charta/>



## 2.1.4 Participation of Diakonie Württemberg and Neue Arbeit Stuttgart in ESF (Plus) structures

Diakonie Württemberg, as a social and umbrella organisation, is generally rather reserved when it comes to applying for and running social projects from the ESF (Plus). It sees itself here primarily as a coordinator and representative of the interests of its member institutions and companies (e.g. Neue Arbeit Stuttgart), which as providers of concrete measures and services are very much involved in the ESF (Plus) tenders and programmes.

Diakonie is only directly involved in project applications and projects at the state level if this means that several diaconal member companies can be brought together and if the project content is exemplary and innovative. An example of this is the project 'Durante'<sup>7</sup>, in which the long-term unemployed are supported in their transition to work and in which several diaconal agencies are involved. This project is designed and managed at the state level together with the Paritätischer Wohlfahrtsverband. It is implemented by 14 local providers, including eight diaconal locations. The exemplary nature of this project is based on the assumption that the long-term unemployed have an almost 50% probability of becoming unemployed again within six months after being successfully placed in work, and that this rate can be significantly reduced through targeted coaching. A conceptual connection to the Interreg SIV project is that Durante also aims to win over employers specifically to support the long-term unemployed.

Diakonie Württemberg is involved at the state level through the League of Voluntary Welfare Organisations and also through the 'AG Arbeit' in the ESF advisory board of the Ministry of Social Affairs, which provides long-term support for programme development over the budget periods. The local diaconal organisations (district offices and district associations) are involved at the local level via the local leagues in the 'Regional ESF Working Groups' which negotiate the allocation of regional ESF funds.

The SNA company is represented by the Rems-Murr regional ESF working group as a representative of independent welfare work. The objectives of the funding from 2022 onwards are in particular to improve the employability and participation opportunities of people who are particularly at risk of poverty and exclusion, and to prevent school drop-out and improve training skills. Otherwise, the SNA acts as an operative provider in provider networks and implements both regional and state-wide projects. Federal projects are also currently being implemented in cooperation. Participation in the structures of ESF Plus takes place indirectly through committees in umbrella organisations and on the operational side with the EPM association - Managing ESF Projects - Securing Success. The lead organisation is Werkstatt Parität and is supported by the associations AVO, bag arbeit, Caritasverband, der Paritätische Baden-Württemberg, the Archdiocese of Freiburg and Caritasverband Diözese Rottenburg-Stuttgart, Deutsches Rotes Kreuz, Diakonie Baden and Diakonie Württemberg, the Landkreistag and the Städtetag Baden-Württemberg.

At the programmatic level of the Federation and the Länder, Diakonie is only very generally and often only indirectly (e.g. League of Independent Welfare Organisations) involved in the

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<sup>7</sup> <https://www.durante-esf.de/>



consultations. Decisions on concrete tenders and awards are left here to the ministries and administrative authorities. Only at the level of the regional working groups are projects proposed by the local providers and the selection decisions are discussed by the regional association representatives.

### **2.1.5 Possibility to set priorities within ESF Plus in Baden-Württemberg that would allow ESF funding for SIV projects**

A detailed discussion/interview with the coordinator of the regional ESF working groups at the Landkreistag Baden-Württemberg showed the possibility of drafting a general concept for regional SIV projects based on the Interreg SIV and offering this specifically in the regional working groups. However, the extent to which such a concept is actually tendered and implemented in the regional working groups must be decided locally and on the basis of regional priorities.

### **2.1.6 Possibility of applying for ESF-Plus funds for SIV projects within the framework already provided**

At the state level, ESF funds are implemented both through the Ministry of Social Affairs, the Ministry of Economy, the Ministry of Education and the Ministry of Justice. Here, the calls for proposals are largely prepared in the ministries and influence is hardly possible even through the ESF Advisory Board of the Ministry of Social Affairs.

## **3. ERDF - means of support for SIV projects**

The ERDF is one of the 5 European Structural and Investment Funds (ESI Funds).

The European Regional Development Fund (ERDF) supports regions lagging behind in their development and facing structural problems. It primarily finances investments to strengthen business competitiveness and job creation in small and medium-sized enterprises and also measures that serve energy efficiency, research and technological development and environmental protection. In addition, the ERDF (with approx. 1 billion euros) supports measures within the framework of European Territorial Cooperation (ETC). Germany will receive almost 11 billion euros from the ERDF in the current funding period. With its special focus on research and innovation, the competitiveness of SMEs and the low-carbon economy, the ERDF is aimed at investments that are crucial for the competitiveness of the regions in the course of globalisation. The ERDF is of utmost importance for the implementation of the innovation funding of the federal states and a stronger innovation orientation of their regional policy strategies.

### **3.1 Objectives of the ERDF**

The European Regional Development Fund (ERDF) aims to strengthen economic, social and territorial cohesion in the European Union by redressing imbalances between regions.





In the past, ERDF funds were used almost exclusively for infrastructure projects in rural areas. Funding for social projects was only made possible with the 2014-2020 funding period. However, the previous allocation practice continues to shape the ERDF to the present day.

"The Ministry of Food, Rural Areas and Consumer Protection, as the competent administrative authority for the ERDF programme for Baden-Württemberg in the 2014-2020 funding period "Innovation and Energy Turnaround", submitted the programme prepared by the participating departments, the Ministry of Economics, Labour and Tourism, the Ministry of Science, Research and the Arts, the Ministry of the Environment, Climate and Energy Management and the Ministry of Food, Rural Areas and Consumer Protection to the EU Commission on 18 March 2014. It was subsequently submitted to the EU Commission via the electronic system on 10 April 2014. By decision of 16 October 2014, the EU Commission approved the Operational Programme."

"With its ERDF programme (2014-2020), Baden-Württemberg focuses on the leitmotif of "innovation and energy transition" and specifically supports the topics of research and innovation as well as reduction of CO<sub>2</sub> emissions."<sup>8</sup>

In the 2014-2020 funding period, the state's ERDF programme is geared towards making visible contributions to key objectives of the EU's "Europe 2020" strategy and the state. In doing so, it focuses on the strengths of the state and specifically supports the topics of research and innovation as well as the reduction of CO<sub>2</sub> emissions. The programme is therefore guided by the motto "Innovation and Energy Transition".<sup>9</sup>

The national and regional authorities in the Member States share the financial responsibility with the Commission

Member State administrations select the projects to be funded and take responsibility for day-to-day management

The regions are responsible for the implementation of ERDF funds

They draw up a so-called Operational Programme for each funding period, which describes the funding strategy and the planned funding measures of the respective region

### **3.1.2 Responsibilities of the ERDF**

"In Baden-Württemberg, jurisdiction for the ERDF lies with the Ministry for Rural Areas and Consumer Protection Baden-Württemberg, Department 40 ERDF."

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<sup>8</sup> <https://efre-bw.de/>

<sup>9</sup> <https://efre-bw.de/operationelles-programm/>





### **3.1.3 Participation in decision-making processes**

Since the 2014-2020 funding period and with the expanded funding opportunities, the associations of non-statutory welfare organisations are also represented on the ERDF State Advisory Council.

#### **3.1.3.1 Possibility of enabling ERDF funding for SIV projects**

In Baden-Württemberg, ERDF funding was only made accessible to social projects and providers at all with the 2014-2021 budget period. In awarding practice, this is still only possible in exceptional cases, which is why an application and funding of SIV projects seems largely hopeless here.

## **4. Further funding Ideas**

Both German Projectpartners are working on this issue, looking for funding in from the private as well as the public sector.

## **5. Conclusion**

### **5.1 Private funding of employment-generating measures benefits the unemployed as well as potential employers and the public sector**

The reintegration of the unemployed into the labour market is of course the most important benefit, but it also brings many advantages for employers. Financing employment-generating measures can help them recruit and develop staff, which is becoming increasingly important in view of demographic trends and the growing shortage of skilled workers. For the public coffers, a quantitative and qualitative increase in private funding shares naturally means a considerable relief, - also in the search for innovative approaches for which there are otherwise hardly any resources in view of the chronic financial shortage in the area of labour market promotion.

### **5.2 The impact is measurable (for households and society)**

Here, the Social Return On Investment (SROI) perspective shows us the way, which comprehensively records the effects of social investments and translates them into monetary values.

Using the example of publicly funded employment, participation in work, it can be shown that it not only serves material provision, but also improves self-confidence, well-being and health. In the long-term balance, financing work is much more beneficial for society as a whole than financing unemployment.

In summary, the voucher programme provides programme participants with a future perspective, additional income and the acquisition of professional, personal and social skills. The biggest financiers of the programme, the employment companies and church



communities, also experience positive effects such as image improvement, network expansion and time relief with regard to recruitment activities.

The monetised social impacts of the voucher programme were more than four times higher than the total financial investments in 2019. The two scenario calculations show that when the medium and long-term impacts are taken into account, the monetised impacts are even more than six and eight times higher than the investments. Furthermore, the voucher programme makes a significant contribution to the achievement of the Sustainable Development Goals and thus generates socially and economically sustainable added value in addition to the monetised added value.

## Sources

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<p><b>Thomas Kreuz</b> Landkreistag BW Ber.stelle f.d. regionalen ESF-AKs +49 (711) 22462 - 37 Geschäftlich +49 (160) 5760211 Mobiltelefon +49 (7472) 281812 Privat kreuz@landkreistag-bw.de thomas@kreuz-wurmlingen.de</p>
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